



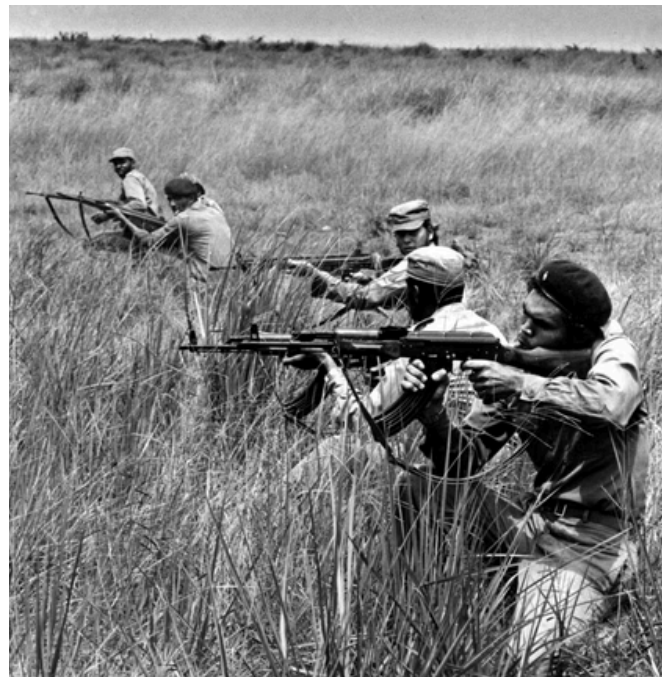
Nuru series : African Railways

# The Lobito Corridor



## HISTORICAL BACKGROUND

The first railroad linking the east and west of Angola was established in the early **1900s** by the Portuguese. Work began in 1902, when the Portuguese colonial administration granted British capitalist **Robert Williams** a 99-year concession to build the railway from the Atlantic port of Lobito, across the central highlands of Angola to the copper-producing area of Shaba (Katanga), on the border between today's Democratic Republic of Congo (DRC) and Zambia. By **1929**, the Benguela railroad (**Caminho de ferro de Benguela, CFB**) was up and running, linking **Lobito to Luau** (DRC border, at Dilolo) and **extracting minerals** from the DRC and transporting them to the Atlantic coast. Following the **war of independence (1960-1975)** and the **civil war (1975-2002)**, the CFB was almost entirely **destroyed**.



AP

Between 2006 and 2014, the Benguela railway was rebuilt by the **China Railway Construction Corporation** at a cost of **\$1.83 billion**. The railroad reached Huambo in 2011, Kuito in 2012 and Luau, near the border with the Democratic Republic of Congo, in 2013, with an official inauguration in February 2015. It finally stretches **1,340km from Lobito to Luau**.



Ver Angola



中国铁建股份有限公司

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CHINA RAILWAY CONSTRUCTION CORPORATION LIMITED

On July 4, 2023, **Lobito Atlantic Railway** (LAR, a joint venture between Trafigura, Mota-Engil and Vecturis SA) was awarded a **30-year concession** to operate the "**Lobito Corridor**" rail line, beating off a rival Chinese consortium. The project calls for investments of \$455 million in Angola and \$100 million in the Democratic Republic of Congo (DRC) to upgrade and operate the corridor's infrastructure. **Trafigura**, a leading Swiss commodities trader, **Mota-Engil**, a major Portuguese construction company with close ties to Angola, and **Vecturis**, a Belgian railroad management specialist, are leading the consortium. The concession could be extended to 50 years if the consortium builds a \$1 billion, 259 km branch line between Luacano and Jimbe. The agreement also provides for the addition of 1,555 wagons and 35 locomotives to the Angolan rail network.



**LOBITO ATLANTIC**  
Railway



The Africa logistics

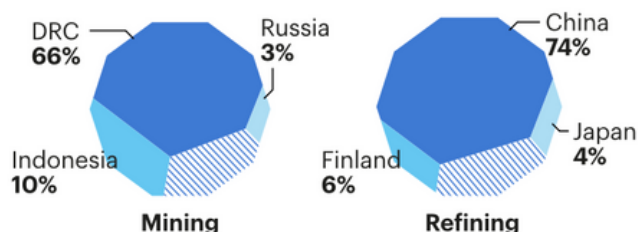
**The Lobito Corridor**

Today, the objective of the Lobito Corridor is to link the port of Lobito to Luau (DRC/Zambia border), and extend 550 km in Zambia from Jimbe (Angola border) to Chingola (Copperbelt), and 400 km in the DRC to the mining town of Kolwezi.

## THE LOBITO CORRIDOR

In the same way that the Lobito corridor played a strategic role in the past, it has a central place in current geopolitics. **In the context of the energy transition and global powers securing their mineral and energetic needs, having access to key resources is paramount.** This aspect was well understood by the United States, as they have been increasing their investments in the Lobito corridor. Located in the copperbelt, a region situated between the DRC and Zambia, **it holds parts of the world's copper supply, a strategic mineral.**

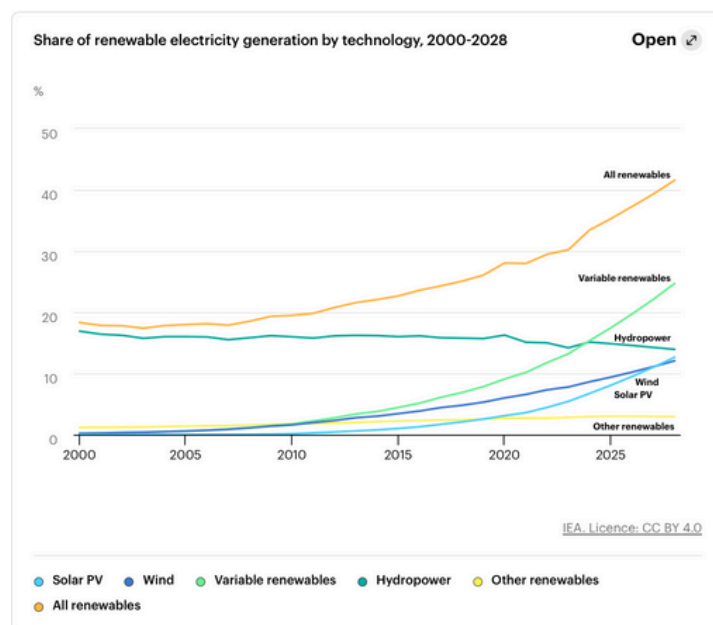
Top three producers 2030



International Energy Agency, Top Three producers of cobalt in 2030

But the DRC also mines another key mineral, and is the main actor owning it : **cobalt**. Though most of it is refined in China, the central African country is responsible **for around 70% of the world's production**. This geographic concentration and the growing needs for minerals in developed economies makes it essential for countries like the US or European ones to **secure their supply**. As such, Italy pledged to give 320 millions of dollars for the development of the corridor, and France should invest around 200 millions of euros for the development of the Port of Lobito and its infrastructures (in 2023, Africa Global Logistics, a French international firm won the concession).

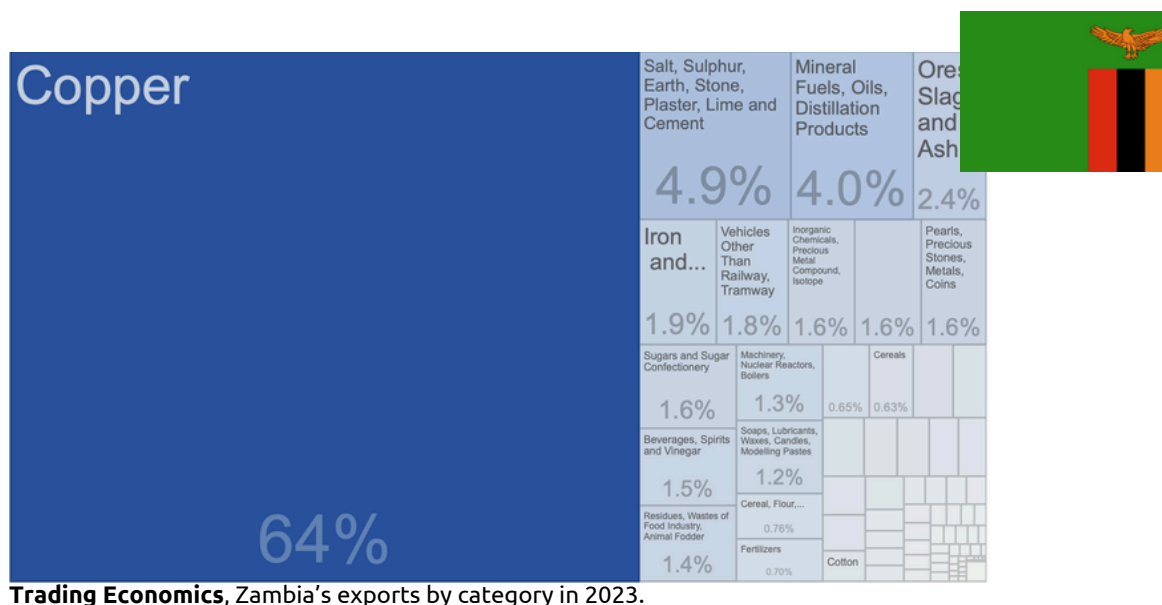
And with the energy transition, the International Energy Agency estimates that **the demand of cobalt is going to rise from 215 kilotons in 2023, to 454 in 2040**. It is worth reminding, however, that the European Countries and the United States are putting in place plans and strategies (RepowerEU, for example) to go further with the energy transition. The energy transition relies on electrification, but electrification also means the ability to store the energy produced with batteries. Those countries who need the battery, often lack the mineral supply. **As the energy transition progresses, and the demand for batteries, solar panels or materials for windmills increase, so will their needs in mineral supply and to diversify it.** Mineral production is geographically concentrated, and forces dependency, often on China, which weighs heavy on the shoulders of Western countries.



International Energy Agency, Share of Energy Electricity generation by technology, 2000-2028

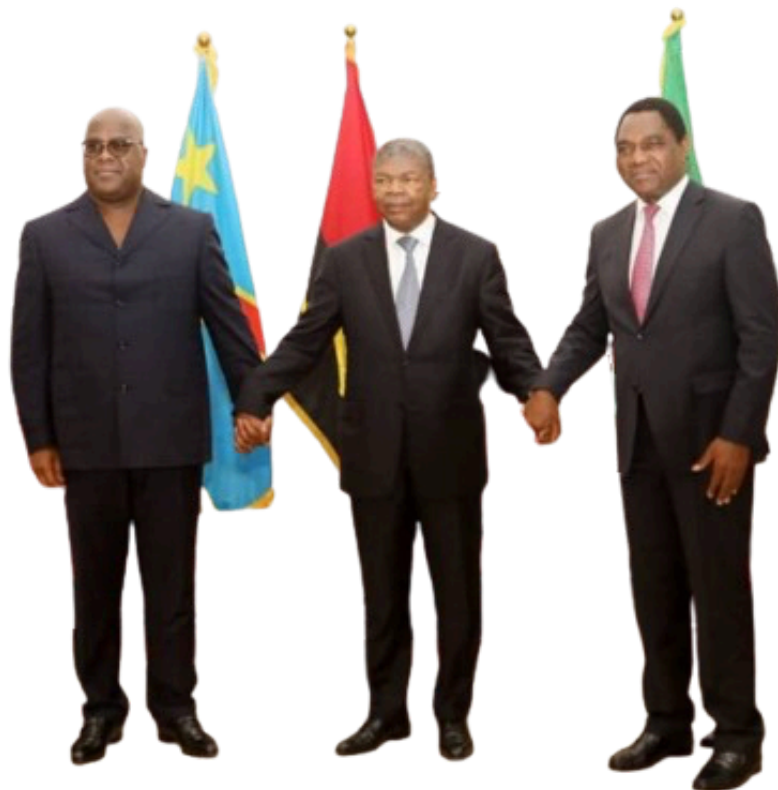


It is also crucial for the African continent, and especially for the Democratic Republic of the Congo and Zambia. As stated, the DRC supplies most of the world's cobalt, **meaning that a sizable part of its economy relies on these exports.** For Zambia as well, the dependency on minerals is an issue. In 2022, **the country's copper exports represented 69% of total exports, and 64% in 2023.**



Trading Economics, Zambia's exports by category in 2023.

The country is the **seventh-largest copper producer in the world, and the second largest in the world.** The refurbishing of the Lobito Corridor, therefore, plays a key role for the two countries to **defend their common interest in developing this economic sector.** As for the continent, and its integration, the Lobito Corridor is expected by the African Union to **facilitate regional integration.** What's more, it is meant to increase trade in the three countries it crosses (Angola, DRC, Zambia). As such, it will contribute to a certain extent to the efficiency of the African Continental Free Trade Area (Aftca), and attract investors on the pathway.



Testifying to it is **the US dedicating 3.5 millions of dollars to support Angolese entrepreneurship,** as well as 5 millions of dollars for digital inclusion projects along the corridor, among other projects. **The countries concerned, too, Angola, Zambia and DRC created a consortium to develop and manage infrastructures on the corridor,** whether railways, or ports. Through that consortium, they wish to harmonize taxes and freight capacities in order to keep the corridor competitive.

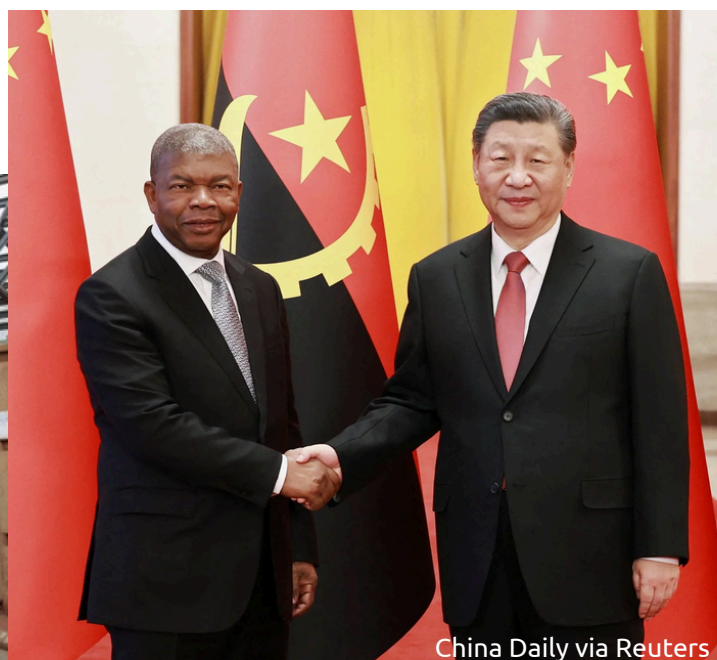
# SINO AMERICAN COMPETITION

## China's economic position

China's long-standing involvement in Angola and similar infrastructure projects suggests a competitive interest in the corridor, particularly given its parallel objectives with those of the **Belt and Road Initiative (BRI)**.

Indeed, China plays a crucial role in Angola, being the country's leading economic partner, thanks in particular to major investments in **infrastructure and oil**, marking its importance in mega-projects. In 2010, China and Angola established a strategic partnership, with Angola joining the Belt and Road Initiative (BRI) in 2018. Since then, Angola has been the **second main destination for Chinese investment** in Africa and its top destination for crude oil, absorbing around 61.56% of Angolan oil exports in mid-2019. In addition, Angola is the largest African recipient of Chinese loans, accounting for **27% of China's loans to the continent between 2000 and 2022**, helping Angola's post-civil war recovery through infrastructure development.

Having failed to win the tender for the corridor (Chinese consortium (Citic, Sinotrans, CR 20) and dropped the concession for the port of Lobito, China's role today is **indirect**, through Chinese mining companies operating in the DRC for example. It's also important to remember that the state-owned **China Communications Construction Company** owns almost **a third** of the Portuguese company Mota Engil.



However, Angola's recent strategic shift marks a notable turn towards the West, reflecting the country's desire to **diversify** its partnerships beyond China. Angola's recent initiatives suggest a broader intention to rebalance its geopolitical alliances by strengthening ties with Western powers such as the United States and Europe, particularly with a view to reducing its heavy dependence on China and benefiting from diversified economic and development support.

Although, it is essential to clarify that Angola's current strategy is not an abandonment of the previous model. The country retains its **iconic oil contracts** and **debt-financed infrastructure projects**. For President Joao Lourenço, one of the priorities has been to reduce guarantee reserves and extend credit lines for key new projects.





US Africa leaders summit in 2022, Carnegie Endowment

## A new strategy for the US

The current geopolitical landscape had led the US to somewhat **rethink their African strategy, and get more involved on the continent.** In 2022, the country launched its new strategy for Africa, in which it recognized the continent's unmatched role in the future : « **This strategy reframes the region's importance to U.S. national security interests.** In November 2021, Secretary of State Antony Blinken affirmed that 'Africa will shape the future—and not just the future of the African people but of the world'. » (The White House, U.S. STRATEGY TOWARD SUB-SAHARAN AFRICA, August 2022).

For Washington, the corridor is therefore a symbol of a broader geopolitical strategy. **Its increased presence in Angola and neighboring countries represents a deliberate move towards "great power competition"** in Africa, where infrastructure projects are aimed not only at development, but also at countering rivals. In this sense, the Lobito Corridor is seen as a keystone enabling the USA and its European allies to regain ground in Africa, **meeting critical mineral needs and pushing back China's influence**, which has amounted to almost \$170 billion on the continent since 2000 in terms of loans and credits to all 54 african nations.

Joe Biden **manifested interest in rekindling and fostering the relations of the United States with Angola.** His visit to the country was expected, though canceled this October. His wish to come to Angola nonetheless **demonstrates the key role Luanda plays in the competition between China and the US.** It is key for both powers to secure their **economic interests on the continent.** The consequences of Trump's accession to the White House can be called into question, **although his interest for Africa did not particularly translate in his first mandate**, as he took a rather non-interfering stance. The policy he wishes to put into place for his next mandate is not yet known, **and was not a major topic ahead of his elections .**



Joe Biden meeting Joao Lourenço in 2023, AP News

## THE RAILWAY DIPLOMACY IN AFRICA

In the world of strategy, this corridor can not stay without rivals. Projects like the **TAZARA** railway and the **Banana port corridor** offer **alternative pathways for regional connectivity**, and their **development underscores the dynamic interplay between global powers fighting for influence in Africa**.

The TAZARA railway, with its **historical ties to Chinese support and its recent refurbishment initiatives**, shows Beijing's enduring commitment to Africa through its Belt and Road Initiative (BRI). The \$1 billion proposal for TAZARA's modernization, coupled with the World Bank's additional funding, highlights **the strategic significance of the Dar es Salaam-to-Zambia route**. For China, this railway not only facilitates access to the resource-rich Copperbelt but also strengthens its position as a key partner in Africa's economic development. As the U.S. seeks to challenge China's dominance, the rehabilitation of TAZARA represents a potent symbol of competition: a **lifeline for East Africa's trade and a lever for Chinese geopolitical influence**.



Tanzania Zambia Railway Authority, TAZARA to promote tourism



Global Business Council, Banana-Matadi-Kinshasa Economic Corridor, 2024

Similarly, the **Banana port corridor project in the Democratic Republic of Congo (DRC)** aims to **establish a new link from the Atlantic Ocean to Zambia's Copperbelt**, traversing 12 provinces of the DRC. This ambitious endeavor, with its mix of new construction and rehabilitation, has the potential to reshape trade patterns in Central Africa. The development of this corridor not only aligns with Chinese priorities but also presents **an opportunity for other global actors to assert their influence**. Its success would further cement the DRC's role as a critical hub in Africa's transport and resource networks.

## CONCLUSION

The Lobito Corridor stands as a microcosm of Africa's evolving geopolitical landscape, reflecting the continent's growing importance as a stage for international competition. As the United States deepens its engagement with Africa through strategic initiatives, the Lobito Corridor has become a symbol of a broader geopolitical chess game, particularly in the realm of infrastructure development.

The competition between the Lobito Corridor, TAZARA, and the Banana port corridor reflects a **broader trend: railways have become geopolitical tools in Africa, linking infrastructure investment with influence over critical trade routes and natural resources.** For China, these projects are essential to expanding its strategic foothold under the BRI framework. For the U.S., they represent both a challenge and an opportunity to redefine its partnership with African nations, emphasizing transparency, mutual benefit, and alternatives to Chinese dominance.

**In this new geopolitical landscape, African railways are no longer mere connectors of places—they are pathways to power.** The continent's leaders, aware of this reality, find themselves navigating a delicate balance, leveraging external interest to build critical infrastructure while safeguarding their sovereignty. The future of these corridors, and the influence they represent, will shape not just Africa's economic trajectory but also **the contours of global geopolitics in the decades to come.**

Lou Frisch, Soary Andriamahenina



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